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I. Introduction

1. The Security Council, in its resolution 186 (1964) of 4 March 1964 established the United Nations Peacekeeping Force in Cyprus (UNFICYP). From its inception until 15 June 1993, the costs of the Force were financed by troop-contributing countries, by the Government of Cyprus and by voluntary contributions to UNFICYP (see article 19 of the Agreement concerning the Status of the Peacekeeping Force in Cyprus).[1]

2. In its resolution 47/236 of 14 September 1993, the General Assembly decided that, commencing 16 June 1993, the costs of the Force that were not covered by voluntary contributions should be treated as expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter.

3. The Security Council extended the mandate of the Force in subsequent resolutions, the most recent of which was resolution 1384 (2001) of 14 December 2001, by which the Council extended the mandate to 15 June 2002.

4. The budget for the maintenance of UNFICYP for the period from 1 July 2000 to 30 June 2001 was set out in the report of the Secretary-General dated 28 January 2000 (A/54/729) and amounted to $41,039,800 gross ($39,374,200 net). The cost estimates provided for the maintenance of the Force at an authorized strength of 1,230 contingent personnel and 35 civilian police monitors, supported by 230 (44 international and 186 local staff) civilian staff.

5. The General Assembly, by its resolution 54/270 of 15 June 2000, appropriated an amount of $43,422,065 gross ($41,404,128 net) for the maintenance of UNFICYP for the period from 1 July 2000 to 30 June 2001, inclusive of an amount of $2,060,180 gross ($1,743,344 net) for the support account for peacekeeping operations, and the amount of $322,085 gross ($286,584 net) for the United Nations Logistics Base at Brindisi, Italy. The appropriated amount also reflected the fact that the Government of Cyprus provides one third of the cost of the Force ($13,801,375) and the Government of Greece provides $6,500,000 through voluntary contributions. An amount of $23,120,690 gross ($21,102,753 net) was assessed on Member States for the period.

II. Implementation of the budget

6. Information on the operations of UNFICYP during the reporting period is contained in the reports of the Secretary-General to the Security Council dated 1 December 2000 (S/2000/1138), 30 May 2001 (S/2001/534) and 30 November 2001 (S/2001/1122).

7. As part of its continuing efforts to improve the management of its resources, the UNFICYP administration launched a number of new initiatives and expanded ongoing cost-saving measures to ensure that the mission is managed with a maximum of economy and efficiency.

8. Obsolete computers were replaced to comply with United Nations standards for information technology. Improved management of the rations supply system and

[1] United Nations, *Treaty Series*, vol. 558, No. 7187.

more favourable prices obtained for fresh rations as a result of competitive bidding exercises resulted in significant savings.

9. The mission's outsourcing programme, which had started with the outsourcing of janitorial services in the United Nations Protected Area in April 1999 and the subsequent outsourcing of catering services at mission headquarters in October 1999 and janitorial services in all sectors and catering services in Sector 2 in April 2000, was expanded to include catering services in Sectors 1 and 4 in April 2001. As a result, 39 local staff posts were abolished in July 2000 and there was a further reduction of 42 local staff posts in April 2001. In total, 110 local staff posts have been abolished since April 1999 as a result of outsourcing of janitorial and catering services for the mission.

10. Other cost savings initiatives included local arrangements for the commercial travel of military and civilian police personnel travelling to UNFICYP and open-ended contracts for the procurement of equipment and "just in time" open-ended contracts for the purchase of various supplies and office furniture, which resulted in further savings for the mission. Similarly, the implementation of procurement planning resulted in improvements in the procurement process, ensuring that requirements were forecasted, action was implemented in a timely manner and the goods and services were procured in an efficient and the least costly manner. UNFICYP continued to enlarge its vendor roster and advertised all requirements over $20,000 publicly in newspapers and on the UNFICYP web site. The mission also made efforts to re-bid service contracts, which resulted in cost reductions and improvements in the quality of the services rendered.

III. Financial performance report for the period from 1 July 2000 to 30 June 2001

11. Table 1 below indicates the appropriation of $43,422,065 gross ($41,404,128 net) for the maintenance of UNFICYP for the period from 1 July 2000 to 30 June 2001. Expenditures amounted to $42,360,400 gross ($40,445,800 net) inclusive of $12,300,300 in unliquidated obligations. The resulting unencumbered balance of $1,061,700 gross ($958,400 net) represents in gross terms approximately 2.5 per cent of the amount appropriated.

12. Annex I to the present report contains the financial performance information for the reporting period by budget line. Column 1 of the annex reflects the apportionment of the resources provided to UNFICYP during the period under review pursuant to General Assembly resolution 54/270. The expenditures recorded for the period from 1 July 2000 to 30 June 2001 are shown in column 3 by budget line item. Variances between the apportionment of resources by budget line item and the actual expenditures are shown in column 4.

13. Supplementary information on significant variances in the financial performance report is presented in annex II. The planned and actual deployment of military and civilian personnel for the reporting period is contained in annex III. Annex IV contains a chart showing the apportionment and expenditure for the period from 1 July 2000 to 30 June 2001.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel	22 456.7	22 150.2	306.5
Civilian personnel	9 341.1	8 318.4	1 022.7
Operational requirements	7 537.2	7 887.2	(350.0)
Other programmes	39.3	60.1	(20.8)
United Nations Logistics Base at Brindisi	286.6	286.6	-
Support account for peacekeeping operations	1 743.3	1 743.3	-
Staff assessment	2 017.9	1 914.7	103.3
Gross requirements	**43 422.1**	**42 360.4**	**1 061.7**
Income from staff assessment	(2 017.9)	(1 914.7)	(103.3)
Net requirements	**41 404.2**	**40 445.8**	**958.4**
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	**43 422.1**	**42 360.4**	**1 061.7**

[a] Includes an amount of $12,300,300 in unliquidated obligations.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 2000 to 30 June 2001

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	-	-	-
Military contingents	1 230	1 226	-
Civilian police	35	34	3
International staff	44	41	8
National officers	-	-	-
Local staff	186	145	22
United Nations Volunteers	-	-	-

IV. Actions to be taken by the General Assembly at its fifty-sixth session

14. The actions to be taken by the General Assembly in connection with the financing of UNFICYP are as follows:

(a) To decide on the treatment of the unencumbered balance of $1,061,700 gross ($958,400 net) for the period from 1 July 2000 to 30 June 2001;

(b) To decide on the treatment of other income for the period from 1 July 2000 to 30 June 2001 amounting in total to $1,680,000, comprising interest income ($804,000), other/miscellaneous income ($62,000) and savings on or cancellation of prior period obligations including prior period adjustments ($814,000).

Annex I

Financial performance report for the period from 1 July 2000 to 30 June 2001: summary statement

(Thousands of United States dollars)

Category of expenditure		*(1)* *Apportionment*[a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1 - 3)* *Variance*
I.	**Military personnel**				
	1. Military observers	-	-	-	-
	2. Military contingents	21 279.8	-	20 973.3	306.5
	3. Other requirements pertaining to military personnel				
	(a) Contingent-owned equipment	976.9	-	976.9	-
	(b) Self-sustainment	-	-	-	-
	(c) Death and disability compensation	200.0	-	200.0	-
	Subtotal, line 3	1 176.9	-	1 176.9	-
	Total, category I	**22 456.7**	**-**	**22 150.2**	**306.5**
II.	**Civilian personnel**				
	1. Civilian police	240.6	-	213.6	27.0
	2. International and local staff	9 100.5	-	8 104.8	995.7
	3. United Nations Volunteers	-	-	-	-
	4. Government-provided personnel	-	-	-	-
	5. Civilian electoral observers	-	-	-	-
	Total, category II	**9 341.1**	**-**	**8 318.4**	**1 022.7**
III.	**Operational requirements**				
	1. Premises/accommodation	1 253.6	341.8	1 384.3	(130.7)
	2. Infrastructure repairs	219.0	-	171.5	47.5
	3. Transport operations	1 462.4	162.9	1 491.5	(29.1)
	4. Air operations	1 214.1	-	1 271.5	(57.4)
	5. Naval operations	-	-	-	-
	6. Communications	864.5	167.0	549.4	315.1
	7. Other equipment	656.8	809.8	976.3	(319.5)
	8. Supplies and services	1 784.8	-	2 019.3	(234.5)
	9. Air and surface freight				
	(a) Transport of contingent-owned equipment	-	-	-	-
	(b) Commercial freight and cartage	82.0	-	23.5	58.5
	Subtotal, line 9	82.0	-	23.5	58.5
	Total, category III	**7 537.2**	**1 481.4**	**7 887.2**	**(350.0)**

Category of expenditure	(1) Apportionment[a]	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) = (1 - 3) Variance
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	4.8	4.8	4.8	-
3. Training programmes	34.5	-	55.3	(20.8)
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and demobilization	-	-	-	-
Total, category IV	**39.3**	**4.8**	**60.1**	**(20.8)**
V. United Nations Logistics Base at Brindisi	**286.6**	**-**	**286.6**	**-**
VI. Support account for peacekeeping operations	**1 743.3**	**-**	**1 743.3**	**-**
VII. Staff assessment	**2 017.9**	**-**	**1 914.7**	**103.3**
Gross requirements, categories I-VII	**43 422.1**	**1 486.2**	**42 360.4**	**1 061.7**
VIII. Income from staff assessment	**(2 017.9)**	**-**	**(1 914.7)**	**(103.3)**
Net requirements, categories I-VIII	**41 404.2**	**1 486.2**	**40 445.8**	**958.4**
IX. Voluntary contributions in kind (budgeted)	-	-	-	-
X. Voluntary contributions in kind (non-budgeted)	-	-	-	-
Total	**43 422.1**	**1 486.2**	**42 360.4**	**1 061.7**
				Amount
XI. Other income/adjustments				
Interest income				804.0
Other/miscellaneous income				62.0
Voluntary contributions in cash				-
Prior period adjustments				(6.0)
Savings on, or cancellation of prior period obligations				820.0
Total, category XI				**1 680.0**

[a] Based on appropriation provided by General Assembly resolution 54/270.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: $22,456,700; expenditure: $22,150,200; variance: $306,500

1. The unutilized balance of $306,500 under this heading was largely attributable to enhanced management and control of the ration supply and lower contract prices for fresh rations (fresh fruits, vegetables, dairy products, eggs and bread) than budgeted, which resulted in savings of $420,400. These and other savings under welfare ($10,800) were offset by higher actual requirements under emplacement, rotation and repatriation of troops ($124,700) owing to the withdrawal of the Austrian, Dutch and Slovenian contingents and to travel of military personnel on assignment beyond six months and whose repatriation fell outside normal contingent rotations.

Civilian personnel

Apportionment: $9,341,100; expenditure: $8,318,400; variance: $1,022,700

Civilian police

Apportionment: $240,600; expenditure: $213,600; variance: $27,000

2. More favourable prices for airfares than budgeted and an average vacancy rate of 3 per cent during the period as a result of a reduction in the number of Australian civilian police monitors from 20 to 15 and a corresponding but staggered increase in the number of civilian police monitors provided by Ireland contributed to savings of $27,000 under this heading.

International and local staff

Apportionment: $9,100,500; expenditure: $8,104,800; variance: $995,700

3. Additional requirements of $72,200 were required to cover a 5.1 per cent salary increase for international staff, effective 1 March 2001, and payment of accrued annual leave for three UNFICYP Field Service staff members who retired during the period.

4. While the local staffing requirements were reduced by 39 posts from 186 to 147 posts as a result of the mission's outsourcing activities, contributing to an average vacancy rate of 22 per cent, the local salary scale was increased by 7.3 percent, thus reducing the savings to $812,700 under this heading.

5. Savings of $12,900 under overtime occurred as a result of the outsourcing of catering services and the mission's policy to provide time off in lieu of monetary compensation.

6. Similarly, the reduction in the local staff owing to the outsourcing of janitorial services in all sectors and catering services in Sector 2 in April 2000 and the

subsequent abolition of 39 local staff posts in July 2000 resulted in savings of $123,800 under common staff costs.

7. The withdrawal of the Austrian and Slovenian contingents, the subsequent deployment of the Slovak contingent and the UNFICYP job classification exercise that necessitated the travel by an inventory assistant to support UNFICYP staff with the FACS database system resulted in unbudgeted expenditures under official travel of staff. Since the overall number of trips undertaken was lower than estimated and favourable airfares were obtained for the travel in question, savings of $114,800 were recorded under this heading.

8. During the period under review, a total of two UNFICYP personnel were on short-term loans to new missions or other operations as shown below:

Table 1

Deployed to	*Number of staff*
United Nations Mission in Ethiopia and Eritrea	1
United Nations Organization Mission in the Democratic Republic of the Congo	1
Total	**2**

Operational requirements

Apportionment: $7,537,200; expenditure: $7,887,200; variance: ($350,000)

9. The over-expenditure of $350,000 was due to additional requirements under premises/accommodation ($130,700), transport operations ($29,100), air operations ($57,400), other equipment ($319,500) and supplies and services ($234,500), partially offset by savings under infrastructure repairs ($47,500), communications ($315,100) and air and surface freight ($58,500).

Premises/accommodation

Apportionment: $1,253,600; expenditure: $1,384,300; variance: ($130,700)

10. The additional requirements of $130,700 under this heading were mainly due to the restrictions in movement imposed on UNFICYP personnel in the north since June 2000, which resulted in overcrowding in Camp San Martin (Sector 1), necessitating the unbudgeted purchase of prefabricated accommodation units for this camp ($83,600), and increased utility requirements owing to higher electricity prices than budgeted, higher consumption of electricity owing to the increase in the number of air conditioners and electrical heaters in operation, as well as increased costs for generator fuel, particularly in the north (106,500). These additional requirements were partly offset by savings of $49,200 under maintenance services as a result of the consolidation of offices, accommodation and ancillary facilities within the United Nations Protected Area.

Infrastructure repairs

Apportionment: $219,000; expenditure: $171,500; variance: $47,500

11. Favourable prices for materials combined with reduced requirements to hire engineering equipment for the patrol track as a result of the transfer of such equipment from the United Nations Logistics Base at Brindisi, Italy, resulted in savings of $40,800 under this heading. A provision of $29,000 had been made for the repair of bridges. However, certain required materials were not available for procurement, resulting in savings of $6,700 under this heading.

Transport operations

Apportionment: $1,462,400; expenditure: $1,491,500; variance: ($29,100)

12. An additional amount of $68,300 was required under purchase of vehicles. While provision had been made for the replacement of one United Nations-owned recovery truck that was written off owing to age and condition, there were immediate operational requirements to purchase two 4x4 ambulances for the mission, one low bed trailer for the movement of engineering equipment for use on the patrol track in the buffer zone as well as the transfer of heavy engineering equipment from the United Nations Logistics Base at Brindisi, Italy.

13. The additional requirement of $2,300 under workshop and test equipment was due to the need to procure new equipment such as hand drills, an arc welder, ladders, a pipe threading kit, hole saws, pipe cutters and screwdriver bit sets for the Slovak contingent engineers.

14. Savings of $41,600 under spare parts, repairs and maintenance were the result of reduced costs for accident repairs for UNFICYP commercially hired vehicles and the non-utilization of funds budgeted for spare parts for contingent-owned vehicles, as these are covered by the wet lease arrangement under the memorandum of understanding still to be concluded between UNFICYP and troop contributors. Those savings were offset by higher requirements for spare parts for United Nations-owned vehicles because of the increased vehicle establishment from 66 to 75 with the acquisition of the vehicles mentioned in paragraph 11 above and the costly repairs and maintenance thereof.

15. While there was a cost reduction in local third party liability insurance as a result of favourable rates obtained through competitive bidding, the authorities in the north have obliged UNFICYP since June 2000 to insure all its vehicles travelling to the north via the Ledra Palace in Nicosia, resulting in additional requirements of $9,200 under this heading.

Air operations

Apportionment: $1,214,100; expenditure: $1,271,500; variance: ($57,400)

16. The additional requirement of $89,500 to cover unbudgeted positioning/depositioning costs for the Bell 212 helicopter in January 2001 was partially offset by savings under hire/charter costs ($9,400) and aviation fuel and lubricants ($7,600) as the number of flying hours for both helicopters were less than budgeted and actual fuel consumption for the Hughes helicopter was 95 litres per

hour and for the Bell helicopter was 303 litres per hour compared to the budget estimates of 90 and 380 litres, respectively. Other offsetting savings were realized under liability and war-risk insurance ($15,100) owing to a decrease in aircraft liability insurance as a result of the increase in the number of peacekeeping missions worldwide.

Communications

Apportionment: $864,500; expenditure: $549,400; variance: $315,100

17. Savings of $84,200 under communications equipment were the result of the mission's conscious cost-saving efforts. While a provision of $69,000 had been made in the budget for the purchase of an Optaphone rural telephone system, the mission opted for a cheaper version utilizing 15 GSM cellular telephones instead. Similarly, the mission also purchased six medium volume digital copy machines under office equipment, inclusive of facsimile facilities, during the period in lieu of the planned replacement of 16 facsimile machines, which thus became unnecessary, resulting in savings to the Organization.

18. The implementation of open-ended contracts for communications spare parts during the period whereby spare parts and supplies are procured on an as-needed basis, thus reducing the necessity to stockpile items, resulted in savings of $68,300 under spare parts and supplies.

19. While provision had been made for the purchase of workshop and test equipment, priority was given to replacing obsolete essential units such as workbenches. Other test equipment scheduled for replacement but still in serviceable condition was adequately maintained and subsequently did not require replacement, resulting in savings of $26,200 under this heading.

20. The installation of the automated Ericsson telephone exchange systems at mission headquarters and in Sector 1, which enables authorized staff to access the United Nations satellite network from any local mobile or fixed telephone for calls to United Nations Headquarters and other United Nations missions at a cost similar to that of a local telephone call, and lower international calling rates charged by the Cyprus Telecommunications Authority effective January 2001, resulted in savings of $136,400 under commercial communications.

Other equipment

Apportionment: $656,800; expenditure: $976,300; variance: ($319,500)

21. The additional amount was primarily required for the purchase of urgently needed data-processing equipment ($45,300), observation equipment ($126,000), medical and dental equipment ($11,800), accommodation equipment ($37,900) and miscellaneous equipment ($93,500) and other equipment, the details of which are described in paragraphs below.

22. The additional requirement of $45,300 under data-processing equipment was due to the purchase of urgently required equipment for the mission: one laptop and two desktop computers for the UNFICYP warehouse and the UNFICYP headquarters operations branch, one desktop computer for the UNFICYP telephone billing system, which receives invoicing data from the Cyprus Telecommunications

Authority, the UNFICYP and United Nations Headquarters exchanges, two laptop computers to replace two Dutch contingent-owned computers assigned to the Force Military Police Unit, which were withdrawn from the mission in June 2001 with the Dutch contingent, and the replacement of 12 obsolete laser printers. In addition, it was necessary to procure a firewall for the UNFICYP Internet server to upgrade the security of the mission's network and a server rack for the UNFICYP information technology server room to accommodate the newly acquired servers and firewall unit, which are rack mountable, as well as to replace 25 obsolete uninterrupted power supplies that broke down during the period.

23. While provision had been made for the replacement of night observation devices, it was necessary to replace obsolete equipment by procuring 25 long-range waterproof binoculars with a minimum field of view of three degrees and supplied with a pedestal tripod for use at various observation posts within the buffer zone to meet immediate operational requirements, resulting in an additional requirement of $126,000 under observation equipment.

24. An additional amount of $11,800 was required under medical and dental equipment for the purchase of seven vacuum mattresses for the UNFICYP medical centres for the transportation of casualties with fractures, the urgent replacement of a defibrillator in the United Nations Protected Area Medical Centre and of an electrocardiogram machine in the Sector 2 Medical Centre.

25. There were additional requirements of $37,900 under accommodation equipment during the period to cover the cost of furniture for the newly renovated accommodation quarters of the Mobile Force Reserve at UNFICYP headquarters, for work tables, storage racks and wall-mounted cupboards for recently renovated small kitchens at 14 of the 19 observation posts in the buffer zone that rely on self-help catering and where all meals are prepared by military personnel manning the observation posts, for 20 bunk beds for initial use by the Slovak contingent engineers and for 50 camp beds to accommodate Austrian military personnel who came to the mission to supervise the withdrawal of Austrian contingent-owned equipment.

26. Provision had been made for four small walk-in refrigeration units for observation posts and camps to provide adequate food storage facilities. During the period, two walk-in freezers and one cooler room were purchased for the newly refurbished kitchens at Camp San Martin (Sector 1) and Camp Izay (Sector 2) at higher costs than budgeted. As a result of the additional expenditure of $3,100 under this heading, the procurement of the fourth refrigeration unit for observation post 66 in Sector 2 had to be postponed.

27. Unbudgeted requirements were incurred under miscellaneous equipment ($93,500). During the period, it was necessary to install 53 additional electronic vehicle monitoring devices (carlogs) in the commercially-hired vehicles ($32,800) and to procure an electronic pigeon scaring device for the United Nations flight hangar to ward off pigeons, which are considered a safety hazard, particularly during maintenance of the helicopters ($6,700), a hydraulic road breaker for a United Nations-owned excavator required for numerous tasks in connection with the repairs on the patrol track ($8,900), 47 air conditioners for observation posts ($31,600), 18 strimmers for ground maintenance work in Sectors 1, 2 and 4 ($4,000) and two additional video projectors ($9,500).

28. Savings of $1,700 were realized under water-purification equipment, as the items were obtained at lower prices than budgeted.

Supplies and services

Apportionment: $1,784,800; expenditure: $2,019,300; variance: ($234,500)

29. Provision of $49,900 had been made to cover the costs of the Board of Auditors for its audit of the mission field and headquarters accounts. Owing to the fact that the obligation inadvertently was not liquidated when disbursement was made to the Board of Auditors, the expenditures recorded under this heading were overstated by $49,900. The obligation has since been fully liquidated.

30. In line with provisions set out in General Assembly resolution 54/270 to reduce the number of local staff, the mission continued its efforts to outsource general and support services in the mission, resulting in additional requirements of $298,500 under contractual services. Contracts for catering services in Sector 2 and janitorial services for all three sectors commenced in April 2000 and catering services contacts for Sectors 1 and 4 were implemented in April 2001, which resulted in additional requirements of $497,600. The mission also entered into three new contracts: for the cleaning of roads at mission headquarters and the car park at the Ledra Palace Hotel, Sector 2, effective October 2000 ($1,700); for the provision of unskilled labour for moving furniture, unloading supplies and similar services ($12,700); and for the maintenance of fire extinguishers throughout the mission ($7,100). In addition, the requirements for conservancy services had been underestimated in the budget by $12,400.

31. These additional requirements were partially offset by savings under laundry and dry cleaning services ($39,200), owing to the implementation of a new contact at a lower cost than the previous one, effective September 2000, under tailoring services ($12,400), since these services for military personnel in the United Nations Protected Area and Sector 1 were provided by local support services staff, and haircutting, since military personnel did not utilize their full entitlement ($39,700). Similarly, the provisions for deep cleaning of catering areas ($60,000) and chimney cleaning ($1,400) were not utilized. Deep cleaning of catering services is included in the relevant catering contracts. The contract for ground maintenance in the United Nations Protected Area was only implemented effective 1 March 2001 and together with a favourable contract price received through a competitive bidding exercise resulted in additional savings ($68,400). Other offsetting savings of $11,900 were realized.

32. As a result of lower costs than budgeted for the renewal of software licences for the mission, an unutilized balance of $3,200 was recorded under the heading for data-processing services.

33. In connection with an outbreak of salmonella in August 2000, which resulted in nine military personnel being hospitalized, and with an increase in the number of military personnel undergoing surgery and referred for physiotherapy treatment against the figure projected for the period, an additional amount of $22,200 was required under medical treatment and services.

34. While provision of $30,000 had been made to cover third-party claims for loss or damage to property and, legal and assessors fees, only minor incidents took place

during the period, for which the mission received three claims requesting reimbursement for damages caused to overhead cables by an UNFICYP vehicle, for loss of plastic boxes belonging to the former fresh fruit and vegetable contractor and for damage caused to the barley crop by UNFICYP vehicles which made a detour through the claimant's fields to access an observation post in Sector 4 because the patrol track was inaccessible owing to bad weather. The settlement of these claims amounted to $2,800, resulting in an unutilized balance of $27,200 under this heading.

35. As a result of a reduction in the number of official functions held for officials because of the prevailing political climate and the restrictions of movement imposed during the period combined with efficient management of mission resources, an unutilized balance of $2,100 was recorded under the heading for official hospitality.

36. Additional requirements of $58,700 required under miscellaneous other services were primarily due to loss on exchange ($75,600), for advertisements in local newspapers for outsourcing and other contracts in the north and south of the island ($10,600), for electrical consultancy services to bring the electrical reticulation system within mission headquarters in line with the specifications of the Electricity Authority of Cyprus ($6,200), for electrical consultancy fees for design improvements at observation posts ($6,400) and other unforeseen miscellaneous services ($2,000). These additional requirements were in part offset by unutilized balances under bi-communal activities, as the United Nations Office for Project Services provided some funds for the United Nations Day event in Cyprus in October 2000 ($3,800), and by lower than expected bank charges ($38,300).

37. As a result of the reorganization of the UNFICYP supply warehouse and the introduction of "just in time" open-ended contracts in March 2001 for the procurement of stationery items on an as-required basis at lower cost, an unutilized balance of $56,200 was recorded under stationery and office supplies.

38. Similarly, the introduction of "just in time" open-ended contracts for medical supplies in May 2001, whereby certain items are procured on an as-needed basis at lower cost and the need for stockpiling drugs and medicines, often with short shelf-life, is substantially reduced, resulted in an unutilized balance of $16,100 under this heading.

39. The implementation of outsourcing contracts for janitorial services in the sectors (April 2000), catering services in Sector 2 (April 2000) and catering services in Sectors 1 and 4 (April 2001), which include contractor-supplied equipment, supplies and consumables, in addition to the "just in time" open-ended contract for the procurement of cleaning materials and equipment for troop accommodation blocks not covered by the aforementioned services contracts, resulted in unutilized resources of $59,400 under sanitation and cleaning materials.

40. A provision of $39,600 had been made under uniform items, flags and decals. Actual requirements were lower than budgeted owing to the utilization of existing stock of these items in the mission, resulting in an unutilized balance of $15,000 under this heading.

41. The unutilized balance of $13,000 under quartermaster and general stores was due to the implementation of "just in time" open-ended contracts for various items, effective March 2001, resulting in requirements procured on an as-needed basis at lower cost.

Air and surface freight

Apportionment: $82,000; expenditure: $23,500; variance: $58,500

42. Initial freight costs were recorded as part of the equipment purchase costs, resulting in savings of $58,500 under air and surface freight.

Training programmes

Apportionment: $34,500; expenditure: $55,300; variance: ($20,800)

43. Additional requirements of $20,800 were necessary to cover unbudgeted training needs for UNFICYP staff to participate in a fire prevention course in Kent, United Kingdom of Great Britain and Northern Ireland, in March 2001 ($1,400), Reality training at the United Nations Logistics Base at Brindisi for three UNFICYP staff members in February 2001 ($5,300), attendance at the Overseas Properties Management Information Exchange Network seminar in Rome by the Chief Engineer to ensure an organization-wide team of professionals from each overseas property to communicate regularly and exchange information on best practices, common approaches and policy directives ($2,100) and to cover higher costs than budgeted for training of UNFICYP staff at the Inter-Agency Procurement Services Office (IAPSO) procurement training programme in Beirut and Warsaw in October and November 2000, respectively ($5,200). In addition, funds were required to cover increased costs of the electronic data processing and communications training courses at the United Nations Logistics Base at Brindisi ($6,800).

Course	*Expenditure (United States dollars)*	*Number of persons trained*	*Venue*
CISCO systems course	6 000	1	United Nations Logistics Base at Brindisi
Domino Doc 2.5A system administration and applications development	2 200	1	United Nations Logistics Base at Brindisi
Nissan and Toyota technical course for 4x4 vehicles	3 100	1	United Nations Logistics Base at Brindisi
Lotus Notes R.5 system administration and FACS 2000	3 000	1	United Nations Logistics Base at Brindisi
UNDP IAPSO procurement training programme	7 300	4	Beirut
UNDP IAPSO procurement training programme	7 900	3	Warsaw
Barrett HF and digital microwave communications course	3 300	1	United Nations Logistics Base at Brindisi
Sun Systems training	1 100	2	Nicosia
Reality training	5 300	3	United Nations Logistics Base at Brindisi

Course	*Expenditure (United States dollars)*	*Number of persons trained*	*Venue*
Fire prevention course	1 400	1	Kent, United Kingdom of Great Britain and Northern Ireland
Management workshops for chief procurement officers and officers in charge of procurement	4 000	3	Nicosia
Communications planning meeting	1 700	1	United Nations Logistics Base at Brindisi
Information technology planning meeting	1 700	1	United Nations Logistics Base at Brindisi
Management workshop	3 400	2	United Nations Logistics Base at Brindisi
Web page design	900	9	Nicosia
AutoCAD 2000	900	4	Nicosia
OPMIEN seminar	2 100	1	Rome
Total	**55 300**	**39**	

Staff assessment

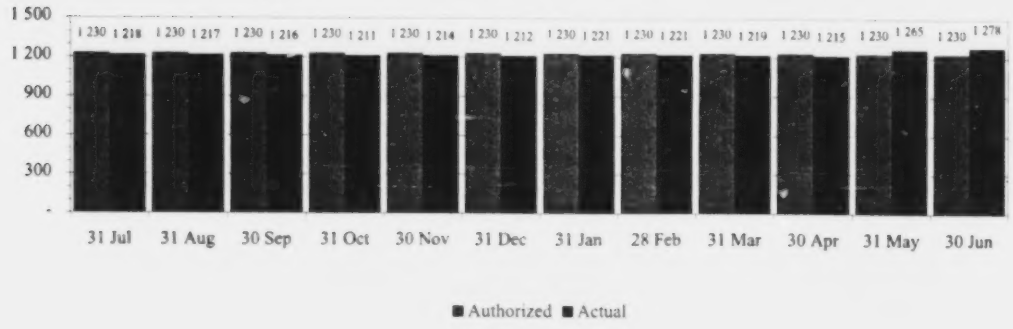
Apportionment: $2,017,900; expenditure: $1,914,700; variance: $103,300

44. The unutilized balance of $103,300 under this heading related mainly to higher than projected vacancy rates for international and local staff during the period under review, primarily as a result of outsourcing of services.

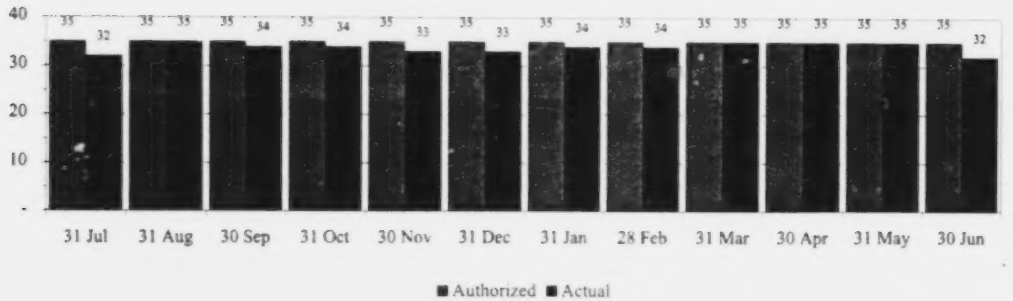
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 2000 to 30 June 2001

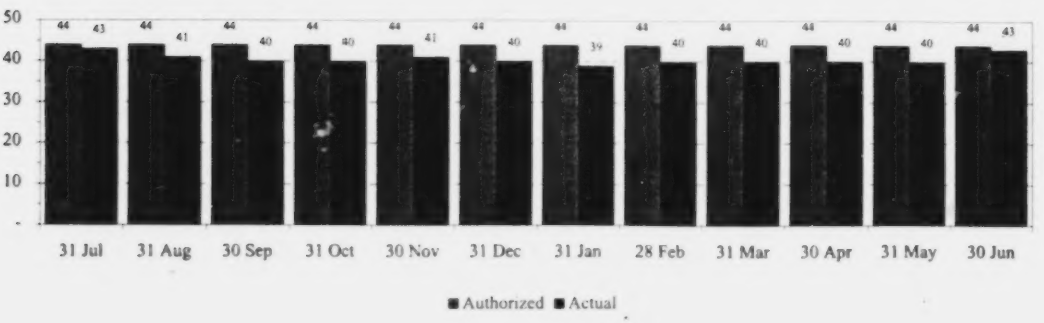
1. Military contingents



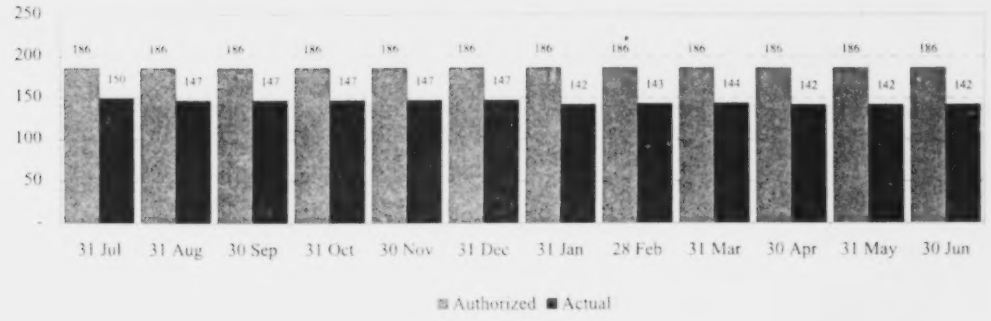
2. Civilian police



3. International staff



4. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 2000 to 30 June 2001